



*Congress of the United States
House of Representatives
Washington, D.C. 20515*

*Anna G. Eshoo
Eighteenth District
California*

June 6, 2018

The Honorable Wilbur Ross, Secretary
Department of Commerce
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Secretary Ross,

I'm writing to express my concerns about reports that the Department of Commerce has rescinded its seven-year ban¹ blocking U.S. companies from selling telecommunications software and equipment to foreign telecommunications manufacturer ZTE.² I believe the Department made the correct decision to issue the ban as a matter of national security. I urge you to reinstate the United States' rejection of its relationship with ZTE, and to explore similar bans with other adversarial companies as well.

When our country was attacked on Sept. 11, 2001, we possessed something that was essential in the age of terrorism – our telecommunications systems. It was and still is a fundamental part of the backbone of our national security and intelligence operations. Fast forward to 2018, and our country is in a parallel time of crisis. Today, U.S. companies have far more in advanced technologies that we rely on for our communications systems in terms of what they can know, what other companies have access to, and from whom they can buy.

The Administration's indulgence in 'deal-making' with ZTE is bad policy both with regard to this specific instance, as well as representing a more general pattern of worrisome judgment in dealing with foreign entities. When we know for a fact, that certain companies, particularly foreign enterprises, do not have our national interests at heart, we have no business *doing* business with them. Period. ZTE violated U.S. laws restricting the sale of *our* technology to Iran, another foreign adversary.

¹ See Department of Commerce, "Secretary Ross Announces Activation of ZTE Denial Order in response to Repeated False Statements to the U.S. Government" (Apr. 16 2018).

² See, e.g., Erik Wasson and Jenny Leonard, "Trump Administration Reaches Deal to Keep ZTE in Business, Sources Say" Bloomberg Government (May 25, 2018); see also, Karen Freifeld, "Exclusive: China's ZTE signed preliminary agreement to lift U.S. ban: sources", Reuters (June 5, 2018).

According to your own Commerce Department, they also paid full bonuses to employees who engaged in illegal conduct, and then lied about it to our authorities. Colleagues on both sides of the aisle are deeply concerned about the vulnerabilities our citizens and our national security systems face when we do business with untrustworthy foreign manufacturers.

The House Subcommittee on Communications and Technology, of which I'm a member, held a hearing recently³ to discuss supply chains for telecommunications and technology. Other committees have had similar hearings in the past several weeks. For many years now, Congress has repeatedly examined our relationship with foreign manufacturers and the serious threats they can pose to our national security. In the midst of mounting concerns, the House of Representatives last week included an initiative in its defense policy bill with language banning the Pentagon from purchasing ZTE technology.⁴ The Senate similarly released a bill containing a provision that would require the Administration to certify ZTE has not violated U.S. law before making any deal with the company. These are strong messages of ongoing bipartisan, bicameral concerns which should not be ignored.

I write to you as a fellow public servant in a coequal branch of government. The number-one responsibility of all of us is contained in our Oath of Office: to '*protect and defend*' our citizens from enemies external and internal. We cannot make deals with foreign entities with a history of compromising our telecommunications sector when it presents a clear and direct challenge to our national security. I urge you to rescind your decision to entertain any U.S. relationship with ZTE, to closely reexamine potential conflicts with other foreign companies, and to publicly reinforce that commitment.

I appreciate your consideration and look forward to your timely response.

Sincerely



Anna C. Eshoo
Member of Congress

³ House Communications and Technology Subcommittee Hearing on "Telecommunications, Global Competitiveness, and National Security (May 16, 2018).

⁴ John Bowden, "Putting Pressure on Trump, House passes bill barring government from doing business with ZTE," The Hill, (May 24, 2018) (available at <http://thehill.com/homenews/house/389201-house-passes-bill-barring-government-from-doing-business-with-zte>)